

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:

City of Detroit, Michigan,

Debtor.

Bankruptcy Case No. 13-53846

Honorable Thomas J. Tucker

Chapter 9

**HAAS & GOLDSTEIN, P.C.'S SUPPLEMENTAL
RESPONSE TO THE CITY OF DETROIT'S BRIEF
SUBMITTED PURSUANT TO COURT ORDER [D.E. 9969]**

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Dated: August 7, 2015

H&G submits this short supplement to note binding Michigan law ruling on the precise issue at bar. In *Karmol v. Encompass Property and Casualty Company*, 293 Mich.App. 382, 809 N.W.2d 631 (2011), the Court of Appeals interpreted the seminal case H&G did cite in its original Brief, but extrapolated that ruling in precisely the same manner as suggested by H&G. In *Karmol*, the court held, “Under the no-fault act, PIP benefits ‘accrue not when the injury occurs but as the allowable expense...is incurred.’” MCL 500.3110(4).” *Id.* at 389. After discussing prior case law, the court went on to conclude, “Thus, a claimant’s right to PIP benefits arises when the claimant finds himself or herself on the hook for an expense.” *Id.* at 390.

Exhibit 1 – Full Opinion.

To be clear, both the NFA and interpreting case law conclusively rule that a claim for PIP benefits (i.e. a right to payment) accrues at the time expenses are incurred, and expressly states that the claim *does not accrue at the time of the MVA*.

Respectfully Submitted,

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PROOF OF SERVICE

On the 7th of August, 2015 a copy of **HAAS & GOLDSTEIN, P.C.'S SUPPLEMENTAL RESPONSE TO THE CITY OF DETROIT'S BRIEF SUBMITTED PURSUANT TO COURT ORDER [D.E. 9969]** and this Proof of Service was served electronically or by regular first class mail to the following:

Miller, Canfield, Paddock and Stone, P.L.C., Attn: Marc N. Swanson, 150 West Jefferson, Suite 2500, Detroit, MI 48226

City of Detroit Law Department, Attn: Charles N. Raimi, Deputy Corporation Counsel, 2 Woodward Avenue, Suite 500, Coleman A. Young Municipal Center, Detroit, MI 48226

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/s/Karen Nowicki

Karen Nowicki

Employee of HS&A, P.C.